

# USAID W-GDP Eswatini Women's Employment for Economic Recovery Project (WEER) DFS Innovation Prize



# About USAID W-WGDP WEER

The USAID Women's Employment and Economic Recovery (WEER) is a three-year project implemented by the American Bar Association, Rule of Law Initiative (ABA ROLI) in partnership with Grameen Foundation USA and Kwakha Indvodza (KI), **working to increase women's participation in the Eswatini economy both as small business owners and as salaried workers.**

The project works across three main focus areas:

- 1. Addressing laws that limit women's freedom to work;**
- 2. Increasing women's access to finance to start and grow businesses;**
- 3. Engaging male champions of women's rights to address gender beliefs and practices that limit women's ability to participate in the economy and allow gender-based violence**

Under this project, **Grameen** is responsible for Focus Area 2.



# Key Project Activities

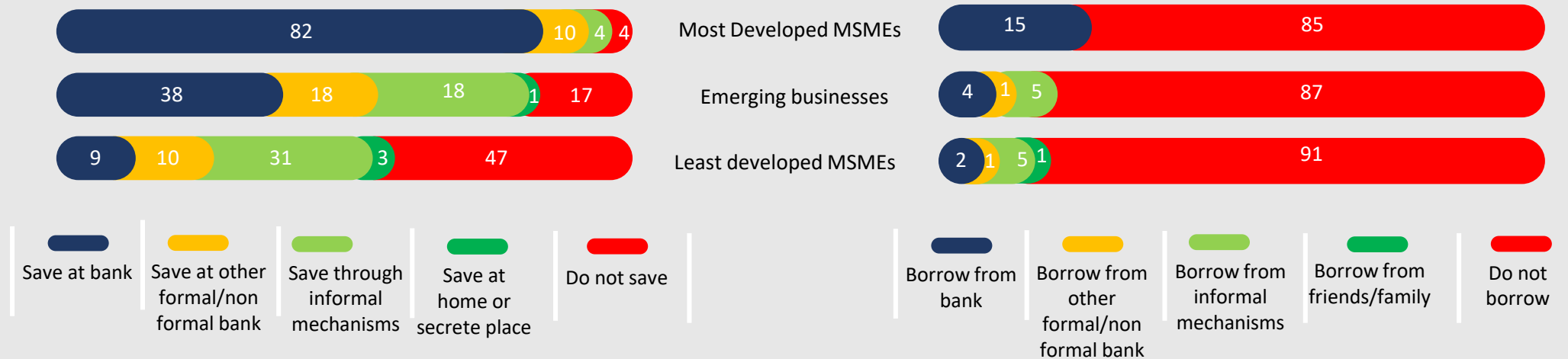
1. **Legal Reform:** Work with a coalition of Eswatini CSO and private sector partners to advocate for legal reforms promoting women's participation in economic activities
2. **Financial Ecosystem Gap Analysis:** Analyse women in Eswatini's needs and desires for financial products serving women entrepreneurs; the products currently being offered by banks, MFIs, and mobile network operators; and identify the gaps where new products are needed or existing products could be scaled up
3. **DFS Innovation Prize:** Establish an Innovation Prize to provide financial and technical support to financial institutions and mobile network operators to pilot or scale financial products and services that meet the needs of women entrepreneurs, especially smallholder farmers.
4. **Corporate Gender Training:** Support private sector companies to improve gender, diversity and inclusion, and workplace harassment practices

# Background and Need



# Problem Statement

Women in Eswatini (especially rural women) face multiple legal, social, and economic challenges to starting and growing businesses in the informal and formal sector (like small business, agribusiness, and salaried employment). **Access to finance is one of their key barriers**



Key Barriers to Women Entrepreneurs Uptake of financial services include:

- Long distances to financial institutions and very low uptake of digital financial services
- High collateral, documentation, and formal credit history requirements
- Inexperience and fear of interacting with formal financial institutions

Adapted from FinScope MSME Eswatini Report 2017

Women are a highly underserved market segment for financial services. Women make up 55% of the Eswatini population, but they are 8% less likely than men to access financial services. **Only 8% of entrepreneurs overall have access to a bank loan and 57% rely solely on their own funds to finance their business.**

# Why Don't Financial Institutions Develop Women-Centered Financial Products and How Can USAID Eswatini WEERA Help?

Some financial institutions in Eswatini would like to reach women clients, but they face the following challenges:

Grameen intends to develop an Innovation Fund which will offer FSPs a co-investment opportunity (to match USG funds at 1:1 ratio) as well as provide technical assistance through its Bankers without Borders network

## CHALLENGES

- Lack insights into the products that rural women will want or demand
- Piloting special new financial products for women customers can be costly and time consuming
- Rural women are located far from financial institutions and are hard to reach
- Sometimes women do not take up financial products after they are offered and financial institutions do not have insight into why; or what to do about it

## SOLUTION

- Providing financial and technical assistance to financial institutions and mobile network operators to pilot new women-centered financial products (including loans, savings, payments, and insurance products) or expand their existing women-centered financial products
- Linking financial institutions to guarantee funds to de-risk the provision of women-centered financial products

## PARTNERSHIP WITH FSPs

- Engage with FSPs and MNOs through our **DFS Innovation Prize** in order to catalyze FSP's efforts to expand digital financial services such as mobile money uptake among low-income female populations, digital loans for SMEs, development/promotion of women centered savings products, and any other initiatives you may be doing to expand rural financial services.
- Provide technical support for product development through GSMA and Bankers without Borders

# What is the USAID WGDG Eswatini WEER Innovation Prize?



**The Innovation Prize provides small grants and technical support to financial institutions and mobile network operators to pilot and/or expand financial products and services that meet the needs of women entrepreneurs, especially smallholder farmers.**



**We are open to any kind of product that serves and supports women clients, but we prioritize digital financial services products**



**Innovation Prize recipients will be selected through a guided application process starting in April 2021**



**Recipients should provide some in-kind or cash cost-share commitments to qualify for Innovation Prize funds**

# Innovation Prize Timeline

**April –May 2021:** Interested financial institutions and mobile network operators apply to the Innovation Prize to advance product/service innovation to benefit women

**July-August 2021:** Final selection and announcement of Prize Winners!

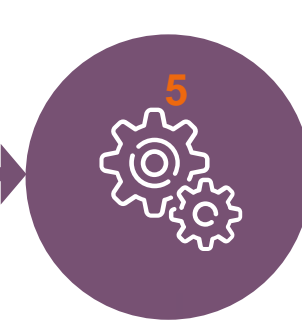
**July-Nov. 2022:** Participate in case studies and learning and dissemination activities.



**Jan-April 2021:** Consider partnerships with other FSPs and other providers of services that enhance women entrepreneurs' capacities to start and grow their businesses



**June 2021:** Shortlisting of top applications



**August 2021-August 2022:** Implement 12-month pilots of innovations with the support of Bankers Without Borders volunteers



# Examples of Funded Innovations



- **Piloting or scaling digital loan products that serve women entrepreneurs**
- **Linking women's savings groups to formal savings or loan services**
- **Digital savings group platforms**
- **Digital SACCO platforms**
- **Starting Female DFS/Mobile Money Agent Networks**
- **Any other great idea related to women and financial services**

# Questions?



## **USAID W-GDP WEER Points of Contact:**

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Thank you!

